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U. S. DEPARTMENT OF AGRICULTURE

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**United States Department of Agriculture**  
**SERVICE AND REGULATORY ANNOUNCEMENTS No. 102**  
**(AGRICULTURAL ECONOMICS)**

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**REGULATIONS**  
**OF THE SECRETARY OF AGRICULTURE**  
**UNDER THE**  
**UNITED STATES WAREHOUSE ACT OF**  
**AUGUST 11, 1916**  
**AS AMENDED**

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**REGULATIONS FOR WAREHOUSEMEN STORING**  
**COTTONSEED FOR COMMERCIAL BUT NOT FOR**  
**SEED STOCK PURPOSES**

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**APPROVED AUGUST 24, 1926**  
**ISSUED SEPTEMBER, 1926**

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UNITED STATES DEPARTMENT OF AGRICULTURE,  
OFFICE OF THE SECRETARY.

By virtue of the authority vested in the Secretary of Agriculture by the United States warehouse act, approved August 11, 1916 (39 U. S. Stat. L., p. 486), as amended, I, C. F. Marvin, Acting Secretary of Agriculture, do make, prescribe, publish, and give public notice of the following rules and regulations, to be known as the Regulations for Warehousemen Storing Cottonseed for Commercial but not for Seed Stock Purposes, and to be in force and effect until amended or superseded by rules and regulations which may hereafter be made by the Secretary of Agriculture under said act.

In testimony whereof I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the city of Washington this 24th day of August, 1926.



*C. F. Marvin.*

*Acting Secretary of Agriculture.*

(11)

# REGULATIONS UNDER THE UNITED STATES WAREHOUSE ACT FOR WAREHOUSEMEN STORING COTTONSEED FOR COMMERCIAL BUT NOT FOR SEED STOCK PURPOSES

## Regulation 1. Definitions

SECTION 1. Words used in these regulations in the singular form shall be deemed to import the plural, and vice versa, as the case may demand. Words import singular or plural.

SEC. 2. For the purpose of these regulations, unless the context otherwise require, the following terms shall be construed, respectively, to mean— Terms defined.

*Paragraph 1. The act.*—The United States warehouse act, approved August 11, 1916 (39 U. S. Stat. at L., pp. 446, 486), as amended. The act.

*Paragraph 2. Person.*—An individual, corporation, partnership, or two or more persons having a joint or common interest. Person.

*Paragraph 3. Secretary.*—The Secretary of Agriculture of the United States. Secretary.

*Paragraph 4. Chief of the bureau.*—The Chief of the Bureau of Agricultural Economics. Chief of the bureau.

*Paragraph 5. Regulations.*—Rules and regulations made under the act by the Secretary. Regulations.

*Paragraph 6. Bureau.*—The Bureau of Agricultural Economics of the United States Department of Agriculture. Bureau.

*Paragraph 7. Warehouse.*—Any building, structure, or other protected inclosure in which cottonseed is or may be stored for interstate or foreign commerce, or, if located within any place under the exclusive jurisdiction of the United States, in which cottonseed is or may be stored. Warehouse.

*Paragraph 8. Warehouseman.*—Any person lawfully engaged in the business of storing cottonseed. Warehouseman.

*Paragraph 9. Cottonseed.*—Prime cottonseed, cool, clean, and not containing in excess of 1 per cent of foreign matter nor in excess of 10 per cent moisture; sound and not containing in excess of 6 per cent damaged or immature seed, and shall be untreated by mechanical or chemical process other than the ordinary process of ginning. Cottonseed.

*Paragraph 10. License.*—A license issued under the act by the Secretary. License.



- Licensed warehouse.** *Paragraph 11. Licensed warehouse.*—A warehouse for the conduct of which a license has been issued.
- Licensed warehouseman's bond.** *Paragraph 12. Licensed warehouseman's bond.*—A bond required to be given under the act by a licensed warehouseman.
- Licensed grader.** *Paragraph 13. Licensed grader.*—A person licensed under the act by the Secretary to grade and to certificate the grade or other class of cottonseed stored or to be stored in a licensed warehouse.
- Licensed weigher.** *Paragraph 14. Licensed weigher.*—A person licensed under the act by the Secretary to weigh and certificate the weight of cottonseed stored or to be stored in a licensed warehouse.
- Licensed inspector.** *Paragraph 15. Licensed inspector.*—A person licensed under the act by the Secretary to inspect, to sample, and to certificate the condition for storage of cottonseed.
- Receipt.** *Paragraph 16. Receipt.*—A warehouse receipt.
- Bag.** *Paragraph 17. Bag.*—A sack or other package.
- State.** *Paragraph 18. State.*—A State, Territory, or District of the United States.

## Regulation 2. Warehouse Licenses

**Application form.** **SECTION 1.** Applications for licenses under sections 4 and 9 of the act and for modifications or extensions of licenses under section 5 of the act shall be made to the Secretary upon forms prescribed for the purpose and furnished by the bureau, shall be in English, shall truly state the information therein contained, and shall be signed by the applicant. The applicant shall at any time furnish such additional information as the Secretary or the chief of the bureau shall find to be necessary to the consideration of his application by the Secretary.

**Grounds for not issuing license.** **SEC. 2. Paragraph 1.** A license for the conduct of a warehouse shall not be issued if it be found by the Secretary that the warehouse is not suitable for the proper storage of cottonseed, that the warehouseman is incompetent to conduct such warehouse in accordance with the act and these regulations, or that there is any other sufficient reason within the purposes of the act for not issuing such license.

**Acceptable building.** *Paragraph 2.* A building acceptable for the storage of cottonseed shall be of sound construction, with sound floors and separated into bins or compartments. Partitions separating the building into bins or compartments shall be of substantial construction and braced in such a manner as to withstand the pressure of the cottonseed while in storage.

**Extra bin or compartment required.** *Paragraph 3.* An extra licensed bin or compartment shall be maintained at all times with a storage capacity equal to the greatest number of tons that can be stored in any one bin or compartment, except as otherwise provided in paragraphs 5, 6, and 7 of this section. No cottonseed shall be stored in this extra bin or compart-



ment except when necessary to move seed from another bin or compartment to prevent the seed from going out of condition.

*Paragraph 4.* A conveying system must be provided throughout the entire warehouse, passing through or accessible to each bin or compartment in such a way that the cottonseed can be moved rapidly when deemed necessary to maintain it in proper condition. Conveyor system.

*Paragraph 5.* A system of air cooling may be installed in the warehouse. If such a system is installed and is approved by the chief of the bureau or his representative, an extra bin or compartment need not be maintained. Air-cooling system.

*Paragraph 6.* If tanks are used for the storage of cottonseed both a conveying system and an approved air-cooling system must be installed and maintained in good working order. Tanks.

*Paragraph 7.* If cottonseed is stored in bags no special type of building is required other than one of sound construction, and with sound floors and of such character as to keep the cottonseed dry. No system of conveying or air cooling is required in bag storage. Bag storage.

SEC. 3. The warehouseman conducting a warehouse licensed, or for which application for license has been made under the act, shall have and maintain above all exemptions and liabilities net assets liable for the payment of any indebtedness arising from the conduct of the warehouse, to the extent of at least \$5 per ton of the maximum number of tons that the warehouse will accommodate when stored in the manner customary to the warehouse as determined by the chief of the bureau, except that the amount of such assets shall not be less than \$5,000, and need not be more than \$100,000. In case such warehouseman has applied for licenses to conduct two or more warehouses in the same State, the assets applicable to all of which shall be subject to the liabilities of each, such warehouses shall be deemed to be one warehouse for the purposes of the assets required under this section. For the purposes of this section only, paid-in capital stock, as such, shall not be considered a liability. Any deficiency in the required net assets may be supplied by an increase in the amount of the warehouseman's bond in accordance with paragraph 2 of section 2 of regulation 3. Net assets required.

SEC. 4. Each application for a modification or extension of a license under section 5 of the act shall be made to the Secretary, upon a form prescribed for the purpose and furnished by the chief of the bureau, shall be in English, shall be signed by the applicant, and shall be filed with the Secretary not less than 30 days before the date of the termination of the license then in effect. Application for modification or extension.

SEC. 5. Immediately upon receipt of his license or of any modification or extension thereof under the act, Time of filing.  
License or extension shall be posted.



the warehouseman shall post the same, and thereafter, except as otherwise provided in these regulations, keep it posted until suspended or terminated, in a conspicuous place in the principal office where receipts issued by such warehouseman are delivered to depositors.

Suspension,  
cancellation, or  
revocation of  
warehouse li-  
censes.

SEC. 6. Pending investigation, the Secretary, whenever he deems necessary, may suspend a warehouseman's license temporarily without hearing. Upon written request and a satisfactory statement of reasons therefor, submitted by a warehouseman, the Secretary may, without hearing, suspend or cancel the license issued to such warehouseman. The Secretary may, after opportunity for hearing has been afforded in the manner prescribed in this section, suspend or cancel a license issued to a warehouseman when such warehouseman (a) is bankrupt or insolvent; (b) has parted, in whole or in part, with his control over the licensed warehouse; (c) is in process of dissolution or has been dissolved; (d) has ceased to conduct such licensed warehouse; or (e) has in any other manner become nonexistent or incompetent or incapacitated to conduct the business of the warehouse. Whenever any of the conditions mentioned in subdivisions (a) to (e) of this section shall come into existence, it shall be the duty of the warehouseman to notify immediately the chief of the bureau of the existing condition. Before a license is suspended, revoked, or canceled for any violation of, or failure to comply with, any provision of the act or of these regulations or upon the ground that unreasonable or exorbitant charges have been made for services rendered, the warehouseman involved shall be furnished by the Secretary, or by an official of the Department of Agriculture designated for the purpose, a written statement specifying the charges and shall be allowed a reasonable time within which he may answer the same in writing and apply for a hearing, an opportunity for which shall be afforded in accordance with regulation 10, section 4.

Return of ter-  
minated, sus-  
pended, revoked,  
or canceled ware-  
house license.

SEC. 7. In case a license issued to a warehouseman terminates or is suspended, revoked, or canceled by the Secretary, such license shall be immediately returned to the Secretary. At the expiration of any period of suspension of such license, unless it be in the meantime revoked or canceled, the dates of the beginning and termination of the suspension shall be indorsed thereon, it shall be returned to the licensed warehouseman to whom it was originally issued and it shall be posted as prescribed in section 5 of this regulation: *Provided*, That in the discretion of the chief of the bureau a new license may be issued without reference to the suspension.

Lost or de-  
stroyed ware-  
house license.

SEC. 8. Upon satisfactory proof of the loss or destruction of a license issued to a warehouseman a duplicate thereof may be issued under the same or a new number at the discretion of the Secretary.



SEC. 9. No warehouse or its warehouseman shall be designated as licensed under the act, and no name or description conveying the impression that it or he is so licensed shall be used, either in a receipt or otherwise, unless such warehouseman holds an unsuspended, unrevoked, and uncanceled license for the conduct of such warehouse.

Unlicensed warehousemen must not represent themselves as licensed.

### Regulation 3. Warehouse Bonds

SECTION 1. Unless the warehouseman has previously filed with the Secretary the necessary bond required by section 2 of this regulation, he shall file such bond within a time, if any, specified by the Secretary, said bond to cover all obligations arising thereunder during the period of the license.

Time of filing.

SEC. 2. *Paragraph 1.* Exclusive of any amount which may be added in accordance with paragraphs 2 and 3 of this section, the amount of such bond shall be at the rate of \$5 per ton or fractional part thereof of the maximum number of tons that the warehouse will accommodate when stored in the manner customary to the warehouse for which such bond is required, as determined by the chief of the bureau, but not less than \$5,000 nor more than \$50,000. If such warehouseman has applied for licenses to conduct two or more warehouses in the same State, the assets applicable to all of which shall be subject to the liabilities of each, and shall desire to give a single bond meeting the requirements of the act and these regulations for said warehouses, such warehouses shall be deemed to be one warehouse for the purposes of the bond required under this regulation, but the maximum amount of the bond shall be raised to \$100,000.

Amount based on storage capacity.

*Paragraph 2.* In case of a deficiency in net assets under regulation 2, section 3, there shall be added to the amount of the bond, fixed in accordance with paragraph 1 of this section, an amount equal to such deficiency.

Additional amount for deficiency in net assets.

*Paragraph 3.* In case the Secretary finds the existence of conditions warranting such action, there shall be added to the amount fixed in accordance with paragraphs 1 and 2 of this section a further amount, fixed by him, to meet such conditions.

Additional amount for special conditions.

SEC. 3. In case an application is made under regulation 2, section 1, for a modification or an extension of a license and no bond previously filed by the warehouseman under this regulation covers obligations arising during the period of such modification or extension, the warehouseman shall, when notice has been given by the Secretary that his application for such modification or extension will be granted upon compliance by such warehouseman with the act, file with the Secretary, within a time, if any, fixed in such notice, a bond complying with the act. In the discretion of the Secretary, a properly executed instrument in form approved by him, amend-

Extension bond.

ing, extending or continuing in force and effect the obligations of a valid bond previously filed by the warehouseman and otherwise complying with the act and these regulations, may be filed in lieu of a new bond.

New bond required to continue license beyond one year.

SEC. 4. Whenever a continuous form of license has been issued such license shall not be effective beyond one year from its effective date unless the warehouseman shall have filed a new bond in the required amount with, and such bond shall have been approved by, the Secretary prior to the date on which that license would have expired had it been issued for but one year, subject to the provisions of section 3 of this regulation.

Approval of bond.

SEC. 5. No bond, amendment, or continuation thereof shall be accepted for the purposes of the act and these regulations until it has been approved by the Secretary.

#### Regulation 4. Warehouse Receipts

Contents of negotiable and non-negotiable receipts.

SECTION 1. *Paragraph 1.* Every receipt, whether negotiable or nonnegotiable, issued for cottonseed stored in a licensed warehouse shall, in addition to complying with the requirements of section 18 of the act, embody within its written or printed terms the following: (a) The name of the licensed warehouseman and the designation, if any, of the warehouse; (b) the license number of the warehouse; (c) a statement whether the warehouseman is incorporated or unincorporated, and, if incorporated, under what laws; (d) the tag number given to each bag or lot of cottonseed in accordance with regulation 5, section 11; (e) a statement, conspicuously placed, whether or not the cottonseed is insured, and, if insured, to what extent, by the warehouseman against loss by fire, lightning, tornado, or flood; (f) a blank space designated for the purpose in which the condition of the cottonseed shall be stated; (g) the moisture content of the cottonseed at the time of storage; (h) the bin or compartment number in which the cottonseed is stored, if stored in bulk; (i) the words "Not negotiable," or "Negotiable," according to the nature of the receipt, clearly and conspicuously printed or stamped thereon; and (j) a statement indicating the amount of shrinkage agreed upon between the depositor and the warehouseman.

Storage period limited to July 1 of each year.

*Paragraph 2.* Every receipt, whether negotiable or non-negotiable, issued for cottonseed stored in a licensed warehouse shall specify a period, for which the cottonseed is accepted for storage under the act and these regulations not to extend beyond July 1 following the year in which harvested. Upon demand and the surrender of the old receipt by the lawful holder thereof on July 1, the warehouseman, upon such lawful terms and conditions as may be granted by him at such time to other depositors of cottonseed in the warehouse, (a) if he then continues to act as a licensed warehouseman, may either



extend the old receipt by making an appropriate notation thereon or issue a new receipt for a further specified period not exceeding three months, provided, it is actually determined that the quality or commercial value of the cottonseed has not been impaired, or, (b) if he then continues to act as a public warehouseman, but not a licensed warehouseman, shall issue a nonlicensed receipt; but in no event shall cottonseed of two different crop years be stored in the same bin or compartment.

Extension of receipt beyond July 1.

*Paragraph 3.* The grade stated in a receipt issued for cottonseed, stored in a licensed warehouse, shall be stated in such receipt as determined by the licensed grader who last graded the cottonseed before the issuance of such receipt, and such receipt shall embody within its written or printed terms the following: (a) That the cottonseed was inspected by a licensed inspector, graded by a licensed grader, and weighed by a licensed weigher; (b) a form of indorsement which may be used by the depositor, or his authorized agent, for showing the ownership of, and liens, mortgages, or other encumbrances on the cottonseed covered by the receipt.

Additional contents of negotiable receipts.

*Paragraph 4.* Whenever the grade or other class of the cottonseed is stated in a receipt issued for cottonseed stored in a licensed warehouse, such grade or other class shall be stated in the receipt in accordance with regulation 8.

Grade or other class of cottonseed.

*Paragraph 5.* If a warehouseman issues a receipt omitting the statement of grade on request of the depositor as permitted by section 18 of the act, such receipt shall have clearly and conspicuously stamped or written on the face thereof the words "Not graded on request of depositor."

When grade omitted receipt must be so marked.

*Paragraph 6.* If a warehouseman issues a receipt under the act omitting any information not required to be stated, for which a blank space is provided in the form of the receipt, a line shall be drawn through such space to show that such omission has been made by the warehouseman.

Blank spaces in receipt to be filled in.

SEC. 2. Either actual copies or skeleton copies of all receipts shall be made, and all such copies, except those issued in lieu of the original, in case of lost or destroyed receipts, shall, if there be no statute of the United States or law of a State providing otherwise, have clearly and conspicuously printed or stamped thereon the words "Copy—Not Negotiable."

Copies of receipts.

SEC. 3. *Paragraph 1.* In the case of a lost or destroyed receipt, if there be no statute of the United States or law of a State applicable thereto, a new receipt upon the same terms, subject to the same conditions, and bearing on its face the number and the date of the receipt in lieu of which it is issued and a plain and conspicuous statement that it is a duplicate receipt issued in lieu of a lost or destroyed receipt, may be issued upon com-

Lost or destroyed receipts.

pliance with the conditions set out in paragraph 2 of this section.

Affidavit of loss  
or destruction of  
receipts.

*Paragraph 2.* Before issuing such duplicate receipt the licensed warehouseman shall require the depositor or other person applying therefor to make and file with the warehouseman (a) an affidavit showing that he is lawfully entitled to the possession of the original receipt, that he has not negotiated or assigned it, how the original receipt was lost or destroyed, and if lost, that diligent effort has been made to find the receipt without success, and (b) a bond in an amount double the value, at the time the bond is given, of the cottonseed represented by the lost or destroyed receipt. Such bond shall be in a form approved for the purpose by the Secretary, shall be conditioned to indemnify the warehouseman against any loss sustained by reason of the issuance of such duplicate receipt, and shall have as surety thereon (a) a surety company which is authorized to do business, and is subject to service of process in a suit on the bond, in the State in which the warehouse is located, or (b) at least two individuals who are residents of such State and each of whom owns real property therein having a value, in excess of all exemptions and encumbrances, to the extent of double the amount of the bond.

Printing re-  
ceipts.

SEC. 4. No receipt shall be issued by a licensed warehouseman except it be (a) in form prescribed by the chief of the bureau, (b) upon distinctive paper specified by him, (c) printed by a printer with whom the United States has a subsisting contract and bond for such printing, and (d) on paper manufactured by and procured from a manufacturer with whom the United States has a subsisting contract and bond for the manufacture of such paper.

Partial deliv-  
ery weight un-  
known.

SEC. 5. *Paragraph 1.* If a warehouseman is requested to deliver a part only of cottonseed stored in one bin or compartment for which he has issued negotiable receipts under the act, and such delivery is made in such a manner that no accurate record of the weight of the portion delivered can be ascertained, he shall take up and cancel all receipts covering the entire contents of the bin or compartment before making such partial delivery and no receipt shall be issued for the undelivered portion until the weight of such undelivered seed has been determined.

Partial deliv-  
ery weight known.

*Paragraph 2.* If a warehouseman is requested to deliver a part only of a lot of cottonseed for which he has issued a negotiable receipt under the act, and he can by actual accurate weight ascertain the amount to be delivered, he shall take up and cancel such receipt and issue a new receipt in accordance with these regulations for the undelivered portion of the cottonseed. The new receipt shall show the date of issuance and also indicate the number and date of the old receipt.



SEC. 6. Except as permitted by law or by these regulations, a warehouseman shall not deliver cottonseed for which he has issued a negotiable receipt until the receipt has been returned to him and canceled, and shall not deliver cottonseed for which he has issued a nonnegotiable receipt until such receipt has been returned to him or he has obtained from the person lawfully entitled to such delivery, or his authorized agent, a written acknowledgment thereof.

Return of receipts before delivery of cottonseed.

SEC. 7. Each person to whom a nonnegotiable receipt is issued shall furnish the warehouseman with a statement in writing indicating the person or persons having power to authorize delivery of cottonseed covered by such receipt, together with the bona fide genuine signature of such person or persons. No licensed warehouseman shall honor an order for the release of cottonseed covered by a nonnegotiable receipt until he has first ascertained that the person issuing the order has authority to order such release and that the signature of the releasing party is genuine.

Persons to whom nonnegotiable receipts are issued must furnish warehouseman with names and signatures of parties authorized to make releases.

SEC. 8. Any number of receipts may be issued for cottonseed in any one bin or compartment but a receipt shall not be issued for a lot of seed, a part of which is stored in one bin or compartment and a part in another bin or compartment.

SEC. 9. No licensed warehouseman shall, directly or indirectly by any means whatsoever, compel or attempt to compel the depositor of any cottonseed stored in his licensed warehouse to request the issuance of a receipt omitting the statement of grade.

Warehouseman not to attempt to compel grade to be omitted.

#### Regulation 5. Duties of Licensed Warehouseman

SECTION 1. No licensed warehouseman shall receive into his licensed warehouse cottonseed other than as defined in regulation 1, section 2, paragraph 9, of these regulations. Neither shall he receive such seed until it has been inspected by an inspector licensed under this act and found by him to be in proper condition and suitable for storage.

Warehouseman to store prime seed only.

Cottonseed must be inspected by licensed inspector before storage.

SEC. 2. *Paragraph 1.* Each licensed warehouseman when so requested in writing as to any cottonseed by the depositor thereof or lawful holder of the receipt covering such cottonseed shall, to the extent to which in the exercise of due diligence he is able to procure such insurance, keep such cottonseed while in his custody as a licensed warehouseman insured in his own name or arrange for its insurance otherwise to the extent so requested against loss or damage by fire, lightning, tornado, or flood. When insurance is not carried in the warehouseman's name the receipts shall show that the cottonseed is not insured by the warehouseman. Such insurance shall be covered by lawful policies issued by

Insurance against fire, lightning, tornado, or flood.

one or more insurance companies authorized to do such business, and subject to service of process in suits brought in the State where the warehouse is located. If the warehouseman is unable to procure such insurance to the extent requested, he shall, orally or by telegraph or by telephone and at his own expense, immediately notify the person making the request of the fact. Nothing in this section shall be construed to prevent the warehouseman from adopting a rule that he will insure all cottonseed stored in his warehouse.

Notice regarding insurance to be posted.

*Paragraph 2.* Each warehouseman shall keep exposed conspicuously in the place prescribed by regulation 2, section 5, and at such other place as the chief of the bureau or his representative may from time to time designate, a notice stating briefly the conditions under which the cottonseed will be insured against loss or damage by fire, lightning, tornado, or flood.

Premiums, inspections, and reports.

SEC. 3. Each warehouseman shall, in accordance with his contracts with insurance and bonding companies for the purpose of meeting the insurance and bonding requirements of these regulations, pay such premium, permit such reasonable inspections and examinations, and make such reasonable reports as may be provided for in such contracts.

Warehouseman to collect and pay over insurance.

SEC. 4. Each warehouseman shall promptly take such steps as may be necessary and proper to collect any moneys which may become due under contracts of insurance entered into by him for the purpose of meeting the requirements of these regulations, and shall, as soon as collected, promptly pay over to the persons concerned any portion of such moneys which they may be entitled to receive from him.

Agreement as to shrinkage.

SEC. 5. At the time cottonseed is received for storage the warehouseman and the depositor shall agree upon an amount to be allowed for shrinkage while the cottonseed is in storage, such shrinkage to include loss caused by natural drying out of the cottonseed, but in no event shall the total amount of shrinkage exceed 5 per cent of the weight of the cottonseed at the time it entered storage. In case no agreement as to shrinkage has been made, the difference in the moisture content of the cottonseed at the beginning of the storage period and at the time of delivery shall form a basis for calculating shrinkage.

Care of cottonseed in licensed warehouse.

SEC. 6. Each warehouseman shall at all times exercise such care in regard to cottonseed in his custody as a reasonably careful owner would exercise under the same circumstances and conditions. He shall also equip his warehouse with thermometers to determine the temperature of the cottonseed while in storage and shall make readings of the thermometers with such frequency as the chief of bureau or his representatives may direct, and permanently record the same, but in no event shall such



readings be made less frequently than every third working day. If the cottonseed attains a temperature of 110° F. the warehouseman shall immediately take such action as is necessary to lower the temperature. If the depositor of the cottonseed or any other person to whom he may have transferred title or interest in the cottonseed desires to make temperature determinations he shall be permitted to do so in company with the warehouseman or the warehouseman's representative.

SEC. 7. If, at any time, a warehouseman shall handle or store cottonseed otherwise than as a licensed warehouseman, or shall handle or store any other commodity, he shall so protect the same, and otherwise exercise such care with respect to it, as not to endanger the cottonseed in his custody as a licensed warehouseman or impair his ability to meet his obligations and perform his duties under the act and these regulations.

Care of nonlicensed cottonseed and other commodities.

SEC. 8. Each warehouseman shall provide a metal fireproof safe, a fireproof vault or a fireproof compartment in which he shall keep, when not in actual use, all records, books, and papers pertaining to the licensed warehouse, including his current receipt book, copies of receipts issued and canceled receipts, except that with the written consent of the chief of the bureau, or his representative, upon a showing by such warehouseman that it is not practicable to provide such fireproof safe, vault, or compartment, he may keep such records, books and papers in some other place of safety, approved by the chief of the bureau or his representative. All canceled receipts shall be arranged by the warehouseman in numerical order as soon as possible after their cancellation and shall be preserved in numerical order thereafter.

Records to be kept in safe place.

SEC. 9. A warehouseman shall not make any unreasonable or exorbitant charge for services rendered. Before a license to conduct a warehouse is granted under the act the warehouseman shall file with the chief of the bureau a copy of his rules and a schedule of charges to be made by him if licensed. Before making any change in such rules or schedule of charges he shall file with the chief of the bureau a statement in writing showing the proposed change and the reasons therefor. Each licensed warehouseman shall keep exposed conspicuously in the place prescribed by regulation 2, section 5, and at such other place, accessible to the public, as the chief of the bureau or his representative may from time to time designate, a copy of his current rules and schedule of charges.

Warehouse charges.

SEC. 10. *Paragraph 1.* Each licensed warehouse shall be kept open for the purpose of receiving cottonseed for storage and delivering cottonseed out of storage every business day for a period of not less than six hours between the hours of 8 a. m. and 6 p. m., except as provided in paragraph 2 of this section. The warehouseman

Business hours.

shall keep conspicuously posted on the door of the public entrance to his office and to his warehouse a notice showing the hours during which the warehouse will be kept open, except when such warehouse is kept open continuously from 8 a. m. to 6 p. m.

Closing of  
warehouse.

*Paragraph 2.* In case the warehouse is not to be kept open as required by paragraph 1 of this section, the notice posted as prescribed in that paragraph shall state the period during which the warehouse is to be closed and the name of an accessible person, with the address where he is to be found, who shall be authorized to deliver cottonseed stored in such warehouse, upon lawful demand by the depositor thereof or the holder of the receipt therefor, as the case may be.

Each sack to  
be marked and  
each lot to be  
tagged.

SEC. 11. Each warehouseman shall, upon acceptance of any lot of sacked cottonseed for storage, immediately stencil or mark an identification number or mark on each such sack in the lot and attach to such lot a tag of good quality which shall identify the lot. Such tag shall show the lot number, the identification mark on each bag, the number of the receipt issued to cover such cottonseed, the number of sacks in the lot, the grade if determined and the gross weight of the cottonseed at the time it entered storage.

Arrangement  
and tagging of  
stored cottonseed.

SEC. 12. Each warehouseman shall so store each lot of cottonseed for which a receipt under the act has been issued that the tag thereon, required by section 11 of this regulation, is visible and readily accessible, and shall arrange all bags in his licensed warehouse so as to permit an accurate count thereof.

Grades and  
weights accord-  
ing to which bulk  
cottonseed shall  
be accepted and  
delivered.

SEC. 13. Each licensed warehouseman shall accept all cottonseed for storage and shall deliver out of storage all bulk cottonseed, other than specially binned or sacked cottonseed, in accordance with the grade of such cottonseed as determined by a person duly licensed to grade such cottonseed and to certificate the grade thereof, and in accordance with the weights of such cottonseed as determined by a person duly licensed to weigh such cottonseed and to certificate the weight thereof, under the act and these regulations, and in accordance with the agreement regarding shrinkage as shown by the terms of the receipt or in the absence of such agreement in accordance with section 5 of this regulation.

Bulk storage of  
identity preserved  
cottonseed.

SEC. 14. Upon the acceptance by a licensed warehouseman, for storage in his licensed warehouse, of any lot of bulk cottonseed the identity of which is to be preserved, he shall store, or cause to be stored, such cottonseed in an individual bin or compartment designated by lot numbers or letters, or other clearly distinguishable words or signs, permanently and securely affixed thereto, or shall so mark the container or containers of such cottonseed or so place the cottonseed in the warehouse that its identity will not be lost during the storage period.



SEC. 15. Except as may be provided by law or these regulations, each licensed warehouseman, (a) upon proper presentation of a receipt for any bulk, other than specially binned cottonseed, and upon payment or tender of all advances and legal charges, shall deliver to such depositor or lawful holder of such receipt cottonseed of the grade and quantity specified in such receipt, after making due allowance for shrinkage as provided in these regulations, and (b) upon proper presentation of a receipt for any cottonseed the identity of which was to have been preserved during the storage period, and upon payment or tender of all advances and legal charges, shall deliver to the person lawfully entitled thereto, the identical cottonseed stored in his licensed warehouse.

Delivery of cottonseed.

Delivery of identity preserved cottonseed.

SEC. 16. Each licensed warehouseman shall use for his licensed warehouse a system of accounts, approved for the purpose by the chief of the bureau, which shall show for each bag or lot of cottonseed, the name of the depositor, the weight of the cottonseed, the number of bags in each lot, the grade when grade is required to be, or is, ascertained, the location, the dates received for and delivered out of storage and the receipts issued and canceled, a separate record for each depositor and such accounts shall include a detailed record of all moneys received and disbursed and of all effective insurance policies. In the case of cottonseed stored in bags, the tag number mentioned in section 11 of this regulation shall be shown. There shall also be kept a record or chart for each bin, showing the temperature of cottonseed in storage as determined by the readings required by section 6 of this regulation, and such other information as the chief of the bureau may require.

System of accounts.

SEC. 17. Each licensed warehouseman shall, from time to time, when requested by the chief of the bureau, make such reports, on forms prescribed and furnished for the purpose by the bureau, concerning the condition, contents, operation, and business of the warehouse as the chief of the bureau may require.

Reports.

SEC. 18. Each warehouseman, when requested by the bureau, shall forward his canceled receipts for auditing to such field offices of the bureau as may be designated from time to time. For the purpose of this section, only such portion as the bureau may designate of each canceled receipt, numbered to correspond with the actual receipt number, need be submitted.

Canceled receipts to be forwarded to bureau for auditing.

SEC. 19. Each warehouseman shall keep on file, as a part of the records of the warehouse, for such period as may be prescribed by the chief of the bureau for each kind of report, an exact copy of each such report submitted by such warehouseman under this regulation.

Copies of reports to be kept.

SEC. 20. Each licensed warehouseman shall permit any officer or agent of the Department of Agriculture, authorized by the Secretary for the purpose, to enter and

Inspections and examinations of warehouse.

inspect or examine, on any business day during the usual hours of business, any warehouse for the conduct of which such warehouseman holds a license, the office thereof, the books, records, papers, and accounts relating thereto, and the contents thereof, and such warehouseman shall furnish such officer or agent the assistance necessary to enable him to make any inspection or examination under this section.

Inspection of  
weighing appa-  
ratus.

SEC. 21. The weighing apparatus used for ascertaining the weight stated in a receipt or certificate, issued for cottonseed stored in a licensed warehouse, shall be subject to examination by the officer or agent of the Department of Agriculture designated by the chief of bureau for the purpose. If the bureau shall disapprove such weighing apparatus, it shall not thereafter, unless such disapproval be withdrawn, be used in ascertaining the weight of any cottonseed for the purposes of the act and these regulations.

Warehouse to  
be kept clean.

SEC. 22. Each licensed warehouseman shall keep his warehouse clean and free from trash, dust, rubbish, and scattered cottonseed.

Excess storage.

SEC. 23. A warehouseman shall not store cottonseed in his licensed warehouse in excess of the capacity thereof determined in accordance with paragraph 1 of section 2 of regulation 3.

Removal of  
cottonseed from  
storage.

SEC. 24. Except as may be permitted by law or these regulations, a licensed warehouseman shall not remove any cottonseed for storage from the licensed warehouse or the part thereof designated in the receipt, if by such removal the insurance thereon will be impaired, without first obtaining the consent in writing of the holder of the receipt, and indorsing on such receipt the fact of such removal. Under no circumstances, unless it becomes absolutely necessary to protect the interests of holders of receipts, shall cottonseed be removed from the licensed warehouse, and immediately upon any such removal the warehouseman shall notify the chief of the bureau of such removal and the necessity therefor.

Storage of wet  
cottonseed pro-  
hibited.

SEC. 25. A warehouseman shall not under any circumstances accept for storage any cottonseed in his licensed warehouse that is wet or otherwise of a condition rendering it unsuitable for storage.

Cottonseed to  
be so stored as  
not to damage.

SEC. 26. A warehouseman shall not handle or store cottonseed in such manner as will injure or damage it or in any part of the warehouse in which it is likely to be injured or damaged by excessive moisture, or otherwise. If a licensed warehouseman accepts cottonseed for storage in bulk, unless his warehouse is equipped with both a conveyor and a cooling system, he shall not store such seed in an amount greater than 500 tons in any one bin or compartment.



SEC. 27. *Paragraph 1.* If the licensed warehouseman, with the approval of the licensed inspector, shall determine that any cottonseed is deteriorating and that such deterioration can not be stopped, the licensed warehouseman shall give immediate notice of the fact, in accordance with paragraphs 2 and 3 of this section.

Warehouseman shall give notice when cottonseed out of condition.

*Paragraph 2.* Such notice shall state (a) the warehouse in which the cottonseed is stored; (b) the quantity, kind, and grade of the cottonseed at the time the notice is given; (c) the actual condition of the cottonseed as nearly as can be ascertained, and the reason, if known, for such condition; (d) the oldest outstanding receipts covering the amount of cottonseed out of condition, giving the number and date of each such receipt and the quantity, the kind, and grade of the cottonseed as stated in each such receipt; and (e) that such cottonseed will be delivered upon the return and cancellation of the receipt therefor.

Contents of notice.

*Paragraph 3.* A copy of such notice shall be delivered in person or shall be sent by mail (a) to the persons holding the receipts, if known to the licensed warehouseman; (b) to the person who originally deposited the cottonseed; (c) to any other persons known by the licensed warehouseman to be interested in the cottonseed; and (d) to the chief of the bureau. If the holders of the receipts and the owners of the cottonseed are known to the licensed warehouseman and can not, in the regular course of the mails, be reached within 12 hours, the licensed warehouseman shall, whether or not requested to do so, also immediately notify such persons by telegraph or telephone at their expense.

Persons to whom notice shall be sent.

Public notice shall also be given by posting a copy of such notice at the place where the warehouseman is required to post his license.

Notice to be posted.

*Paragraph 4.* Any person, interested in any cottonseed or the receipt covering such cottonseed stored in a licensed warehouse, may, in writing, notify the licensed warehouseman, conducting such licensed warehouse, of the fact of his interest, and such licensed warehouseman shall keep a record of the fact. If such person requests in writing that he be notified regarding the condition of any such cottonseed and agrees to pay the cost of any telegraph or telephone charge, such licensed warehouseman shall notify such person in accordance with such request.

Record of persons interested in receipt for cottonseed.

*Paragraph 5.* Nothing contained in this section shall be construed as relieving the licensed warehouseman from properly caring for any cottonseed after notification of its condition in accordance with this section.

Warehouseman not relieved from properly caring for cottonseed at all times.

SEC. 28. Subject to State law, if the cottonseed advertised in accordance with the requirements of section 27 of this regulation has not been removed from storage by the owner thereof within five days from the date of

Cottonseed may be sold at public auction after notice.

notice of its being out of condition, the licensed warehouseman in whose licensed warehouse such cottonseed is stored may immediately sell the same at public auction at the expense and for the account of the owner. Before such public sale is determined upon the warehouseman shall immediately notify the chief of the bureau by wire.

Warehouseman must comply with State law and his contracts.

SEC. 29. Each warehouseman shall faithfully perform his obligation as a warehouseman under the laws of the State in which he is conducting his licensed warehouse and such additional obligations as a warehouseman as may be assumed by him under contracts with the respective depositors of cottonseed in such warehouse.

Fire loss to be reported by wire.

SEC. 30. If at any time a fire shall occur at or within any licensed warehouse, it shall be the duty of the warehouseman to report immediately by wire to the chief of the bureau or his representative the occurrence of such fire and the extent of damage.

Grade or weight certificate to be filed.

SEC. 31. When a grade or weight certificate has been issued by a licensed grader or weigher, a copy of such certificate shall be filed with the warehouseman in whose warehouse the cottonseed covered by such certificate is stored, and such certificate shall become a part of the records of the licensed warehouseman.

SEC. 32. Subject to the provisions of section 13 of the act, a licensed warehouseman may elect not to receive cottonseed for storage the identity of which is to be preserved while in storage.

#### Regulation 6. Fees

Warehouse license fees.

SECTION 1. There shall be charged, assessed, and collected a fee of \$2 for each warehouseman's license.

Warehouse inspection fees.

SEC. 2. There shall be charged, assessed, and collected for each original examination or inspection of a warehouse under the act, when such examination or inspection is made upon application of a warehouseman, a fee at the rate of \$5 for each 1,000 tons of the storage capacity, or fraction thereof, determining in accordance with paragraph 1 of section 2 of regulation 3, but in no case less than \$5 nor more than \$100, and, for each examination or reinspection applied for by such warehouseman, a fee, based on the extent of the reexamination or reinspection, proportioned to, but not greater than, that prescribed for the original examination or inspection.

Advance deposit.

SEC. 3. Before any warehouseman's license, modification, or extension thereof is granted, or an original examination or inspection, or reexamination or reinspection, applied for by a warehouseman, is made, pursuant to these regulations, the warehouseman shall deposit with the bureau the amount of the fee prescribed therefor. Such deposit shall be made in the form of a check, certified if required by the bureau, or post office or express money order, payable to the order of "Disbursing Clerk, Department of Agriculture."



SEC. 4. The disbursing clerk of the United States Department of Agriculture shall hold in his custody each advance deposit made under this regulation until the fee, if any, is assessed and he is furnished by the bureau with a statement showing the amount thereof and against whom assessed. Any part of such advance deposit which is not required for the payment of any fee assessed shall be returned to the party depositing the same.

Return of excess deposit.

#### Regulation 7. Licensed Inspectors, Licensed Graders, and Licensed Weighers

SECTION 1. *Paragraph 1.* Application for licenses to inspect, to grade, or to weigh cottonseed under the act shall be made to the chief of the bureau on forms furnished for the purpose by him.

Licensed inspectors, graders, and weighers; application forms.

*Paragraph 2.* Each such application shall be in English, shall be signed by the applicant, shall be verified by him under oath or affirmation administered by a duly authorized officer, and shall contain or be accompanied by (a) satisfactory evidence that he has passed his twenty-first birthday; (b) the name and location of a warehouse or warehouses licensed, or for which application for license has been made, under the act in which cottonseed sought to be inspected, graded, and weighed under such license is or may be stored; (c) a statement from the warehouseman conducting such warehouse showing whether or not the applicant is competent and is acceptable to such warehouseman for the purpose; (d) satisfactory evidence that he has had at least one year's experience in the kind of service for which a license is sought or the equivalent of such experience, and that he is competent to perform such services, except in the case of applicants for weighers' licenses one month's experience will be sufficient; (e) a statement by the applicant that he agrees to comply with and abide by the terms of the act and these regulations so far as the same may relate to him; and (f) such other information as the chief of the bureau may deem necessary, provided, that when an application for a license to grade cottonseed is filed by a person who does not intend to grade cottonseed for any particular licensed warehouseman but who does intend to grade cottonseed stored or to be stored in a licensed warehouse and to issue grade certificates therefor, as provided for by the act and these regulations, independent of the warehouse receipts issued to cover such cottonseed, it shall not be necessary to furnish such statement as is required by subdivision (c) of this paragraph.

Contents.

*Paragraph 3.* The applicant shall at any time furnish such additional information as the Secretary or the chief of the bureau shall find to be necessary to the consideration of his application by the Secretary.

Applicant must furnish additional information if required.

Combined in-  
spector's, grad-  
er's, and weigh-  
er's application.

Inspectors,  
graders, and  
weighers to sub-  
mit to test.

Posting of li-  
cense.

Duties of in-  
spector, grader,  
and weigher.

Inspection cer-  
tificate.

*Paragraph 4.* A single application may be made by any person for a license to inspect, to grade, and to weigh upon complying with all the requirements of this section.

SEC. 2. Each applicant for a license as an inspector, a grader, or a weigher, and each licensed inspector, licensed grader, or licensed weigher shall, whenever requested by an authorized agent of the Department of Agriculture designated by the chief of the bureau for the purpose, submit to an examination or test to show his ability properly to perform the duties for which he is applying for license or for which he has been licensed.

SEC. 3. Each licensed grader shall keep his license conspicuously posted in the office where all or most of the grading is done and each licensed inspector or weigher shall keep his license conspicuously posted in the warehouse office or in such place as may be designated for the purpose by the chief of the bureau.

SEC. 4. Each licensed inspector, each licensed grader, and each licensed weigher when requested, shall, without discrimination, as soon as practicable, and upon reasonable terms inspect, grade, or weigh and certificate the condition for storage, grade, or weight of cottonseed stored or to be stored in a licensed warehouse for which he holds a license, if such cottonseed be offered to him under such conditions as permit proper inspection and the determination of the condition, grade, or weight thereof, as the case may be. Each such inspector, grader, or weigher shall give preference to persons who request his services as such over persons who request his services in any other capacity. No inspection, grade, or weight certificate shall be issued under the act for cottonseed not stored or not to be stored in a licensed warehouse.

SEC. 5. Each inspection certificate issued under the act by a licensed inspector shall be in a form approved for the purpose by the chief of the bureau, and shall embody within its written or printed terms (a) the caption "United States Warehouse Act, Cottonseed Inspection Certificate"; (b) whether it is an original, a duplicate, or other copy; (c) the name and location of the licensed warehouse in which the cottonseed is or is to be stored; (d) the date of the certificate; (e) the location of the cottonseed at the time of inspection; (f) the identification number or mark of each bag of cottonseed, if in bags, given in accordance with regulation 5, section 11; (g) the condition of the cottonseed for storage at the time of inspection; (h) that the certificate is issued by a licensed inspector, under the United States warehouse act and regulations thereunder; (i) a blank space designated for the purpose in which may be stated any general remarks on the condition of the cottonseed; (j) the signature of such licensed inspector. In addition, the inspection certificate may include any other matter not inconsistent with the act or these regulations, provided the approval of the bureau is first secured.



SEC. 6. Each grade certificate issued under the act by a licensed grader shall be in a form approved for the purpose by the chief of the bureau and shall embody within its written or printed terms (a) the caption "United States Warehouse Act, Cottonseed Grade Certificate"; (b) whether it is an original, a duplicate, or other copy; (c) the name and location of the licensed warehouse in which the cottonseed is or is to be stored; (d) the date of the certificate; (e) the location of the cottonseed at the time of grading; (f) the identification number or mark of each bag of cottonseed, if in bags, given in accordance with regulation 5, section 11; (g) the grade or other class of each bag or lot of cottonseed covered by the certificate, in accordance with regulation 8 as far as applicable, and the standard or description in accordance with which the grade is made; (h) the approximate amount of cottonseed covered by the certificate; (i) that the certificate is issued by a licensed grader under the United States warehouse act and regulations thereunder; and (j) the signature of the licensed grader. In addition, the grade certificate may include any other matter not inconsistent with the act or these regulations, provided the approval of the bureau is first secured.

Grade certificate.

SEC. 7. Each weight certificate issued under the act by a licensed weigher shall be in a form approved for the purpose by the chief of the bureau, and shall embody within its written or printed terms (a) the caption "United States Warehouse Act, Cottonseed Weight Certificate"; (b) whether it is an original, a duplicate, or other copy; (c) the name and location of the licensed warehouse in which the cottonseed is or is to be stored; (d) the date of the certificate; (e) the location of the cottonseed at the time of weighing; (f) the identification number or mark of each bag of cottonseed, if in bags, given in accordance with regulation 5, section 11; (g) the gross weight of the cottonseed; (h) that the certificate is issued by a licensed weigher, under the United States warehouse act and the regulations thereunder; and (i) the signature of such licensed weigher. In addition, the weight certificate may include any other matter not inconsistent with the act or these regulations, provided the approval of the bureau is first secured.

Weight certificate.

SEC. 8. The condition, grade, and weight of any cottonseed, ascertained by a licensed inspector, a licensed grader, and a licensed weigher may be stated on a certificate meeting the combined requirements of sections 5, 6, and 7 of this regulation, if the form of such certificate shall have been approved for the purpose by the chief of the bureau.

Combined inspection, grade, and weight certificate.

SEC. 9. Each licensed inspector, each licensed grader, and each licensed weigher shall keep for a period of one year in a place accessible to persons financially interested

Copies of certificates to be kept.

a copy of each certificate issued by him under these regulations and shall file a copy of each such certificate with the warehouse in which the cottonseed covered by the certificate is stored.

Licensees to permit and assist in examination.

SEC. 10. Each licensed inspector, each licensed grader, and each licensed weigher shall permit any officer or agent of the Department of Agriculture, authorized by the Secretary for the purpose, to inspect or examine, on any business day during the usual hours of business, his books, papers, records, and accounts relating to the performance of his duties under the act and these regulations, and shall, with the consent of the licensed warehouseman concerned, assist any such officer or agent in the inspection or examination of records mentioned in section 16 of regulation 5, as far as any such inspection or examination relates to the performance of the duties of such licensed inspector, licensed grader, or licensed weigher under the act and these regulations.

Reports.

SEC. 11. Each licensed inspector, each licensed grader, and each licensed weigher shall, from time to time, when requested by the chief of the bureau, make reports on forms furnished for the purpose by the bureau, bearing upon his activities as such licensed inspector, licensed grader, or licensed weigher.

Suspensions, revocations, or cancellation of inspector's, grader's, or weigher's licenses.

SEC. 12. Pending investigation the Secretary may, whenever he deems necessary, suspend the license of a licensed inspector, licensed grader, or licensed weigher temporarily without hearing. Upon a written request and a satisfactory statement of reasons therefor, submitted by the licensed inspector, licensed grader, or licensed weigher, the Secretary may, without hearing, suspend or cancel the license issued to such licensed inspector, licensed grader, or licensed weigher. The Secretary may, after opportunity for hearing has been afforded in the manner prescribed in this section, suspend or cancel a license issued to a licensed inspector, licensed grader, or licensed weigher when such licensee, (a) has ceased to perform services as such inspector, grader, or weigher, or (b) has in any other manner become incompetent or incapacitated to perform the duties of such licensed inspector, licensed grader, or licensed weigher. As soon as it shall come to the attention of a licensed warehouseman that either of the conditions mentioned under (a) and (b) exist, it shall be the duty of such warehouseman to notify in writing the chief of the bureau. Before the license of any licensed inspector, licensed grader, or licensed weigher is suspended or revoked pursuant to section 12 of the act, such licensed inspector, licensed grader, or licensed weigher shall be furnished by the Secretary, or by an official of the Department of Agriculture designated for the purpose, a written statement specifying the charges and shall be allowed a reasonable time within which he may answer the same in writing and apply for



a hearing, an opportunity for which shall be afforded in accordance with regulation 10, section 4.

SEC. 13, *Paragraph 1.* In case a license issued to a licensed inspector, licensed grader, or licensed weigher is suspended, revoked, or canceled by the Secretary, such license shall be returned to the Secretary. At the expiration of any period of suspension of such license, unless in the meantime it be revoked or canceled, the dates of the beginning and termination of the suspension shall be indorsed thereon, and it shall be returned to the licensed inspector, licensed grader, or licensed weigher to whom it was originally issued, and it shall be posted as prescribed in section 3 of this regulation.

Return of suspended, revoked, or canceled inspector's, grader's, or weigher's licenses.

*Paragraph 2.* Any license issued under the act and these regulations to an inspector, a grader, or a weigher shall automatically terminate as to any licensed warehouse whenever the license of such warehouse shall be revoked or canceled. Thereupon the license of such inspector, grader, or weigher shall be returned to the Secretary. In case such license shall apply to other warehouses the Secretary shall issue him a new license, omitting the names of the warehouses covering which licenses have been revoked or canceled. Such new license shall be posted as prescribed in section 3 of this regulation.

License terminates with warehouse license.

New licenses. When issued.

SEC. 14. Upon satisfactory proof of the loss or destruction of a license issued to a licensed inspector, licensed grader, or licensed weigher, a duplicate thereof may be issued under the same or a new number, in the discretion of the Secretary.

Lost or destroyed inspector's, grader's, or weigher's licenses.

SEC. 15. No person shall in any way represent himself to be an inspector, grader, or weigher licensed under the act unless he holds an unsuspended, unrevoked, and uncanceled license issued under the act.

Unlicensed inspectors, graders, and weighers must not represent themselves as licensed.

### Regulation 8. Cottonseed Grading

SECTION 1. Whenever the grade or condition of cottonseed is required to be or is stated for the purposes of this act and these regulations, it shall be stated in accordance with this regulation.

Grade and condition to be stated in accordance with regulations.

SEC. 2. Until such time as official cottonseed grades of the United States are in effect, the grade and condition of cottonseed shall be stated as far as applicable (a) in accordance with the State standards, if any, established in the State in which the warehouse is located, (b) in the absence of any State standards, in accordance with the standards, if any, adopted by any cottonseed organization or by the cottonseed trade generally in the locality in which the warehouse is located, subject to the disapproval of the chief of the bureau, or (c) in the absence of the aforesaid standards in accordance with any standards approved by the chief of the bureau.

Standards to be used.

Statement of  
grade and condi-  
tion.

SEC. 3. Whenever the grade or condition of the cottonseed is stated for the purposes of this act and these regulations, the terms used shall be correctly applied and shall be so selected as not to convey a false impression of the cottonseed. In case of doubt as to the grade or condition of a given lot of cottonseed a determination shall be made of such facts by drawing at least six samples of five (5) pounds each, fairly representative of the contents of the car, or two samples of two (2) pounds each fairly representative of the contents of the wagon from the various parts of the carload or wagonload of cottonseed offered for storage. These samples shall be thoroughly mixed and after being so mixed, from this mixture by quartering, not less than 100 grams shall be taken, which shall constitute the sample for the purpose of determining the grade.

#### Regulation 9. Arbitration

Cottonseed ar-  
bitration.

SECTION 1. *Paragraph 1.* Except when agreements have been made in accordance with the "United States Arbitration Act" (43 Stat. 833), in case a question arises as to whether the condition, grade, or weight of the cottonseed was correctly stated in a receipt, inspection certificate, grade certificate, or weight certificate issued under the act and these regulations or as to whether an official sample was properly drawn by a licensed inspector in accordance with these regulations, the licensed warehouseman concerned or any person financially interested in the cottonseed involved may, after reasonable notice to the other interested party, submit the question to an arbitration committee for determination in accordance with this section.

Arbitration  
committee.

*Paragraph 2.* Such arbitration committee shall be composed of three or more disinterested persons who are competent to pass upon the questions involved. If there be a local trade organization such as a board of trade, chamber of commerce, exchange, or inspection department which provides such a committee under a rule or practice acceptable to the chief of the bureau for the purpose, such a committee may determine the question. In the absence of such a committee, or if for any good reason not inconsistent with the act and these regulations such committee is not acceptable to either of the parties interested the complainant and the other party shall each name a member and the two members so named shall select a third member, who shall constitute the arbitration committee. Each member of any such committee shall at all times be subject, for good cause, to the disapproval of the chief of the bureau, and in case any member is so disapproved he shall not thereafter act on an arbitration committee which is considering any questions relating to the same lot of cottonseed unless such disapproval be withdrawn.



*Paragraph 3.* It shall be the duty of the interested parties to acquaint the arbitration committee with the exact nature of the question to be determined and all the necessary facts and to permit the committee to examine the receipt, certificate, sample, or cottonseed involved or any papers or records needed for the determination of the question. The committee shall make a written finding setting forth the question involved, the necessary facts, and its determination. Such findings or a true copy thereof, shall be filed as a part of the records of the licensed warehouseman involved. It may dismiss the matter without determination upon the request of the complainant, or for noncompliance by the complainant with the law or these regulations, or because it is without sufficient evidence to determine the question, in which case the decision shall be deemed to be against the complainant. Except as otherwise provided by law, its decision shall be final for the purposes of the act and these regulations, unless the chief of the bureau shall direct a review of the question. Any necessary and reasonable expense of such arbitration shall be borne by the losing party, unless the committee shall decide that such expense shall be prorated between the parties.

Arbitration  
committee pro-  
ceedings.

*Paragraph 4.* If the decision of the arbitration committee be that the grade, condition, or weight was not correctly stated, the receipt or certificate involved shall be returned to and canceled by the licensee who issued it and he shall substitute therefor one conforming to the decision of the committee. If the decision of the committee be that a sample was not properly drawn in accordance with these regulations, it shall cease to be an official sample for the purposes of these regulations, and the licensed inspector, at the request of any of the parties of the arbitration, shall draw and substitute a new sample, complying with these regulations with respect to such sample.

New receipts or  
certificates to be  
issued or new  
samples drawn.

#### Regulation 10. Miscellaneous

SECTION 1. Every person applying for a license, or licensed under section 9 of the act, shall, as such, be subject to all portions of these regulations, except regulation 2, section 3, so far as they may relate to warehousemen. In case there is a law of any State providing for a system of warehouses owned, operated, or leased by such State, a person applying for a license under section 9 of the act, to accept the custody of cottonseed and to store the same in any of said warehouses, may, in lieu of a bond or bonds, complying with regulation 3, sections 1 and 2, file with the Secretary a single bond meeting the requirements of the act and these regulations, in such form, and in such amount not less than \$5,000 as he shall prescribe, to insure the performance by such person, with respect to the acceptance of the custody of cottonseed and

Regulations ap-  
plicable to State  
warehouses.

its storage in the warehouse in such system for which licenses are or may be issued, of his obligations arising during the periods of such licenses, and in addition, if desired by the applicant, during the periods of any modifications or extensions thereof. In fixing the amount of such bond, consideration shall be given, among other appropriate factors, to the character of the warehouses involved, their actual or contemplated capacity, the bonding requirements of the State, and its liability with respect to such warehouses. If the Secretary shall find the existence of conditions warranting such action, there shall be added to the amount of the bond so fixed, a further amount, fixed by him, to meet such conditions.

**Publications.**

SEC. 2. Publications under the act and these regulations shall be made in service and regulatory announcements of the Bureau of Agricultural Economics, and such other media as the chief of that bureau may from time to time designate for the purpose.

**Violations of act and regulations to be reported.**

SEC. 3. Every person licensed under the act shall immediately furnish the chief of the bureau any information which comes to the knowledge of such person tending to show that any provision of the act or these regulations has been violated.

**Procedure in hearings.**

SEC. 4. For the purpose of a hearing under the act and these regulations, except regulation 9, the licensee involved shall be allowed a reasonable time, fixed by the Secretary or by any official of the Department of Agriculture designated by him for the purpose, within which affidavits and other proper evidence may be submitted. If requested by the licensee within such time, an oral hearing, of which reasonable notice shall be given, shall be held before, and at a time and place fixed by, the Secretary or an official of the Department of Agriculture designated by him for the purpose. The testimony of the witnesses at such oral hearing shall be upon oath or affirmation administered by the official before whom the hearing is held, when required by him. Such oral hearing may be adjourned by him from time to time. After reasonable notice to all parties concerned, the deposition of any witness may be taken at a time and place and before a person designated for the purpose by the Secretary or an official of the Department of Agriculture authorized by the Secretary. Every written entry in the records of the Department of Agriculture made by an officer or employee thereof in the course of his official duty, which is relevant to the issue involved in a hearing, shall be admissible as prima facie evidence of the facts stated therein without the production of such officer or employee. Copies of all papers and all the evidence submitted or considered in such hearing shall be made a part of the records of the Department of Agriculture. The records and, when there has been an oral hearing other than by the Secretary, the recommendation of the



official holding such oral hearing shall be transmitted to the Secretary for his consideration. Each party shall pay all expenses contracted by him in connection with any hearing under this section.

SEC. 5. Nothing in these regulations shall be construed to conflict with, or to authorize any conflict with, or in any way to impair or limit the effect or operation of the laws of any State relating to warehouses, warehousemen, inspectors, graders, or weighers, nor shall these regulations be construed so as to limit the operation of any statute of the United States relating to warehouses, warehousemen, inspectors, graders, or weighers now in force in the District of Columbia, or in any Territory, or other place under the exclusive jurisdiction of the United States.

No conflict with  
State or Federal  
laws.

SEC. 6. Any amendment to, or revision of, these regulations, unless otherwise stated therein, shall apply in the same manner to persons holding licenses at the time it becomes effective as it applies to persons thereafter licensed under the act.

# GENERAL REGULATIONS UNDER THE UNITED STATES WAREHOUSE ACT

## Regulation 1. Combination Warehouses

SECTION 1. A license may be issued for the storage of two or more agricultural products in a single warehouse. Where such a license is desired, a single application, inspection, bond, record, report or other paper, document or proceeding relating to such warehouse, shall be sufficient unless otherwise directed by the chief of the bureau.

One document  
and one license  
to cover several  
products.

SEC. 2. Where such license is desired, the amount of the bond, net assets, and inspection and license fees shall be determined by the chief of the bureau in accordance with the regulations applicable to the particular agricultural product which would require the largest bond and the greatest amount of net assets and of fees if the full capacity of the warehouse was used for its storage.

Amount of as-  
sets and bond  
needed for com-  
bination ware-  
houses.



## UNITED STATES WAREHOUSE ACT

[As amended July 25, 1919, and February 23, 1923]

That this Act shall be known by the short title of "United States warehouse Act." Title declared.

SEC. 2. That the term "warehouse" as used in this Act shall be deemed to mean every building, structure, or other protected inclosure in which any agricultural product is or may be stored for interstate or foreign commerce, or, if located within any place under the exclusive jurisdiction of the United States, in which any agricultural product is or may be stored. As used in this Act, "person" includes a corporation or partnership or two or more persons having a joint or common interest; "warehouseman" means a person lawfully engaged in the business of storing agricultural products; and "receipt" means a warehouse receipt. Terms construed. Warehouse.

SEC. 3. That the Secretary of Agriculture is authorized to investigate the storage, warehousing, classifying according to grade and otherwise, weighing, and certification of agricultural products; upon application to him by any person applying for license to conduct a warehouse under this Act, to inspect such warehouse or cause it to be inspected; at any time, with or without application to him, to inspect or cause to be inspected all warehouses licensed under this Act; to determine whether warehouses for which licenses are applied for or have been issued under this Act are suitable for the proper storage of any agricultural product or products; to classify warehouses licensed or applying for a license in accordance with their ownership, location, surroundings, capacity, conditions, and other qualities, and as to the kinds of licenses issued or that may be issued for them pursuant to this Act; and to prescribe, within the limitations of this Act, the duties of the warehousemen conducting warehouses licensed under this Act with respect to their care of and responsibility for agricultural products stored therein. Receipt. Investigation, etc., of warehouses.

SEC. 4. That the Secretary of Agriculture is authorized, upon application to him, to issue to any warehouseman a license for the conduct of a warehouse or warehouses in accordance with this Act and such rules and regulations as may be made hereunder: *Provided*, That each such warehouse be found suitable for the proper storage of the particular agricultural product or products for which Classification. Duties of warehousemen. Licenses to warehousemen.

Conditions of issue. a license is applied for, and that such warehouseman agree, as a condition to the granting of the license, to comply with and abide by all the terms of this Act and the rules and regulations prescribed hereunder.

Modification or extension of license. SEC. 5. That each license issued under Sections 4 and 9 of this Act shall terminate as therein provided, or in accordance with the terms of this Act and the regulations thereunder, and may from time to time be modified or extended by a written instrument.

Bond to be filed. SEC. 6. That each warehouseman applying for a license to conduct a warehouse in accordance with this Act shall, as a condition to the granting thereof, execute and file

Conditions. with the Secretary of Agriculture a good and sufficient bond to the United States to secure the faithful performance of his obligations as a warehouseman under the laws of the State, District, or Territory in which he is conducting such warehouse, as well as under the terms of this Act and the rules and regulations prescribed hereunder, and of such additional obligations as a warehouseman as may be assumed by him under contracts with the respective depositors of agricultural products in such warehouse. Said bond shall be in such form and amount,

Sureties, terms, etc. shall have such surety or sureties, subject to service of process in suits on the bond within the State, District, or Territory in which the warehouse is located, and shall contain such terms and conditions as the Secretary of Agriculture may prescribe to carry out the purposes of this Act, and may, in the discretion of the Secretary of

Additional bond. Agriculture, include the requirements of fire insurance. Whenever the Secretary of Agriculture shall determine that a bond approved by him is, or for any cause has become, insufficient, he may require an additional bond or bonds to be given by the warehouseman concerned, conforming with the requirements of this section, and unless the same be given within the time fixed by a written demand therefor the license of such warehouseman may be suspended or revoked.

Suit on bond. SEC. 7. That any person injured by the breach of any obligation to secure which a bond is given, under the provisions of Sections 6 or 9, shall be entitled to sue on the bond in his own name in any court of competent jurisdiction to recover the damages he may have sustained by such breach.

Bonded warehouse. SEC. 8. That upon the filing with and approval by the Secretary of Agriculture of a bond, in compliance with this Act, for the conduct of a warehouse, such warehouse

Designation. shall be designated as bonded hereunder; but no warehouse shall be designated as bonded under this Act, and no

Conditions authorizing. name or description conveying the impression that it is so bonded, shall be used, until a bond, such as provided for in Section 6, has been filed with and approved by the Secretary of Agriculture, nor unless the license issued



under this Act for the conduct of such warehouse remains unsuspended and unrevoked.

SEC. 9. That the Secretary of Agriculture may, under such rules and regulations as he shall prescribe, issue a license to any person not a warehouseman to accept the custody of agricultural products and to store the same in a warehouse or warehouses owned, operated, or leased by any State, upon condition that such person agree to comply with and abide by the terms of this Act and the rules and regulations prescribed hereunder. Each person so licensed shall issue receipts for the agricultural products placed in his custody, and shall give bond, in accordance with the provisions of this Act and the rules and regulations hereunder affecting warehousemen licensed under this Act, and shall otherwise be subject to this Act and such rules and regulations to the same extent as is provided for warehousemen licensed hereunder.

Licenses for storage by persons not warehousemen.

Receipts and bond required.

SEC. 10. That the Secretary of Agriculture shall charge, assess, and cause to be collected a reasonable fee for every examination or inspection of a warehouse under this Act when such examination or inspection is made upon application of a warehouseman, and a fee not exceeding \$2 per annum for each license or renewal thereof issued to a warehouseman under this Act. All such fees shall be deposited and covered into the Treasury as miscellaneous receipts.

Examination and inspection charges.

Deposit of fees.

SEC. 11. That the Secretary of Agriculture may upon presentation of satisfactory proof of competency, issue to any person a license to inspect, sample or classify any agricultural product or products, stored or to be stored in a warehouse licensed under this Act, according to condition, grade or otherwise and to certificate the condition, grade or other class therefor, or to weigh the same and certificate the weight thereof, or both to inspect, sample or classify and weigh the same and to certificate the condition, grade or other class and the weight thereof, upon condition that such person agree to comply with and abide by the terms of this Act and of the rules and regulations prescribed hereunder so far as the same relate to him.

Licenses to inspectors, samplers, classifiers, and weighers of products.

Conditions.

SEC. 12. That any license issued to any person to inspect, sample or classify or to weigh any agricultural product or products under this Act may be suspended or revoked by the Secretary of Agriculture whenever he is satisfied, after opportunity afforded to the licensee concerned for a hearing, that such licensee has failed to inspect, sample, or classify or to weigh any agricultural product or products correctly, or has violated any of the provisions of this Act or of the rules and regulations prescribed hereunder, so far as the same may relate to him, or that he has used his license or allowed it to be used for any improper purpose whatever. Pending investigation, the Secretary of Agriculture, whenever he

Suspension, or revocation of licenses.

deems necessary, may suspend a license temporarily without hearing.

Discrimination  
by licensed ware-  
housemen forbid-  
den.

SEC. 13. That every warehouseman conducting a warehouse licensed under this Act shall receive for storage therein, so far as its capacity permits, any agricultural product of the kind customarily stored therein by him which may be tendered to him in a suitable condition for warehousing, in the usual manner in the ordinary and usual course of business, without making any discrimination between persons desiring to avail themselves of warehouse facilities.

Deposits sub-  
ject to terms of  
Act.

SEC. 14. That any person who deposits agricultural products for storage in a warehouse licensed under this Act shall be deemed to have deposited the same subject to the terms of this Act and the rules and regulations prescribed hereunder.

Inspection and  
grading of fungi-  
ble products.

SEC. 15. That any fungible agricultural product stored for interstate or foreign commerce, or in any place under the exclusive jurisdiction of the United States, in a warehouse licensed under this Act shall be inspected and graded by a person duly licensed to grade the same under this Act.

Separation of  
deposits.

SEC. 16. That every warehouseman conducting a warehouse licensed under this Act shall keep the agricultural products therein of one depositor so far separate from agricultural products of other depositors, and from other agricultural products of the same depositor for which a separate receipt has been issued, as to permit at all times the identification and redelivery of the agricultural products deposited; but if authorized by agreement or by custom, a warehouseman may mingle fungible agricultural products with other agricultural products of the same kind and grade, and shall be severally liable to each depositor for the care and redelivery of his share of such mass, to the same extent and under the same circumstances as if the agricultural products had been kept separate, but he shall at no time while they are in his custody mix fungible agricultural products of different grades.

Mingling of  
fungible products  
permitted.

Separation of  
grades.

Issue of re-  
ceipts for prod-  
ucts actually  
stored.

SEC. 17. That for all agricultural products stored for interstate or foreign commerce, or in any place under the exclusive jurisdiction of the United States, in a warehouse licensed under this Act original receipts shall be issued by the warehousemen conducting the same, but no receipts shall be issued except for agricultural products actually stored in the warehouse at the time of the issuance thereof.

Contents of re-  
ceipt.

SEC. 18. That every receipt issued for agricultural products stored in a warehouse licensed under this Act shall embody within its written or printed terms (a) the location of the warehouse in which the agricultural products are stored; (b) the date of issue of the receipt; (c) the consecutive number of the receipt; (d) a statement



whether the agricultural products received will be delivered to the bearer, to a specified person, or to a specified person or his order; (e) the rate of storage charges; (f) a description of the agricultural products received, showing the quantity thereof, or, in case of agricultural products customarily put up in bales or packages, a description of such bales or packages by marks, numbers, or other means of identification and the weight of such bales or packages; (g) the grade or other class of the agricultural products received and the standard or description in accordance with which such classification has been made: *Provided*, That such grade or other class shall be stated according to the official standard of the United States applicable to such agricultural products as the same may be fixed and promulgated under authority of law: *Provided further*, That until such official standards of the United States for any agricultural product or products have been fixed and promulgated, the grade or other class thereof may be stated in accordance with any recognized standard or in accordance with such rules and regulations not inconsistent herewith as may be prescribed by the Secretary of Agriculture; (h) a statement that the receipt is issued subject to the United States warehouse Act and the rules and regulations prescribed thereunder; (i) if the receipt be issued for agricultural products of which the warehouseman is owner, either solely or jointly or in common with others, the fact of such ownership; (j) a statement of the amount of advances made and of liabilities incurred for which the warehouseman claims a lien: *Provided*, That if the precise amount of such advances made or of such liabilities incurred be at the time of the issue of the receipt unknown to the warehouseman or his agent who issues it, a statement of the fact that advances have been made or liabilities incurred and the purpose thereof shall be sufficient; (k) such other terms and conditions within the limitations of this Act as may be required by the Secretary of Agriculture; and (l) the signature of the warehouseman, which may be made by his authorized agent: *Provided*, That unless otherwise required by the law of the State in which the warehouse is located, when requested by the depositor of other than fungible agricultural products, a receipt omitting compliance with subdivision (g) of this section may be issued: *Provided, however*, The Secretary of Agriculture may in his discretion require that such receipt have plainly and conspicuously embodied in its written or printed terms a provision that such receipt is not negotiable.

SEC. 19. That the Secretary of Agriculture is authorized, from time to time, to establish and promulgate standards for agricultural products by which their quality or value may be judged or determined: *Pro-*

Established standards to be promulgated.

Official standards adopted.

*vided*, That the standards for any agricultural products which have been, or which in future may be, established by or under authority of any other Act of Congress shall be, and are hereby, adopted for the purposes of this Act as the official standards of the United States for the agricultural products to which they relate.

Issue of other  
than original re-  
ceipts forbidden.

Lost or de-  
stroyed receipts.

SEC. 20. That while an original receipt issued under this Act is outstanding and uncanceled by the warehouseman issuing the same no other or further receipt shall be issued for the agricultural product covered thereby or for any part thereof, except that in the case of a lost or destroyed receipt a new receipt, upon the same terms and subject to the same conditions and bearing on its face the number and date of the receipt in lieu of which it is issued, may be issued upon compliance with the statutes of the United States applicable thereto in places under the exclusive jurisdiction of the United States or upon compliance with the laws of any State applicable thereto in any place not under the exclusive jurisdiction of the United States: *Provided*, That if there be in such case no statute of the United States or law of a State applicable thereto such new receipts may be issued upon the giving of satisfactory security in compliance with the rules and regulations made pursuant to this Act.

Delivery of  
products to hold-  
ers of receipt.

Conditions.

SEC. 21. That a warehouseman conducting a warehouse licensed under this Act, in the absence of some lawful excuse, shall, without unnecessary delay, deliver the agricultural products stored therein upon a demand made either by the holder of a receipt for such agricultural products or by the depositor thereof if such demand be accompanied with (a) an offer to satisfy the warehouseman's lien; (b) an offer to surrender the receipt, if negotiable, with such indorsements as would be necessary for the negotiation of the receipt; and (c) a readiness and willingness to sign, when the products are delivered, an acknowledgment that they have been delivered if such signature is requested by the warehouseman.

Cancellation of  
receipts upon de-  
livery.

SEC. 22. That a warehouseman conducting a warehouse licensed under this Act shall plainly cancel upon the face thereof each receipt returned to him upon the delivery by him of the agricultural products for which the receipt was issued.

Records to be  
preserved.

SEC. 23. That every warehouseman conducting a warehouse licensed under this Act shall keep in a place of safety complete and correct records of all agricultural products stored therein and withdrawn therefrom, of all warehouse receipts issued by him, and of the receipts returned to and canceled by him, shall make reports to the Secretary of Agriculture concerning such warehouse and the condition, contents, operation, and business thereof in such form and in such times as he may re-

Reports of busi-  
ness operations.



quire, and shall conduct said warehouse in all other respects in compliance with this Act and the rules and regulations made hereunder.

SEC. 24. That the Secretary of Agriculture is authorized to cause examinations to be made of any agricultural product stored in any warehouse licensed under this Act. Whenever, after opportunity for hearing is given to the warehouseman conducting such warehouse, it is determined that he is not performing fully the duties imposed on him by this Act and the rules and regulations made hereunder, the secretary may publish his findings.

Examination of stored products.

SEC. 25. That the Secretary of Agriculture may, after opportunity for hearing has been afforded to the licensee concerned, suspend or revoke any license issued to any warehouseman conducting a warehouse under this Act, for any violation of or failure to comply with any provision of this Act or of the rules and regulations made hereunder or upon the ground that unreasonable or exorbitant charges have been made for the services rendered Pending investigation, the Secretary of Agriculture, whenever he deems necessary, may suspend a license temporarily without hearing.

Suspension or revocation of licenses.

SEC. 26. That the Secretary of Agriculture from time to time may publish the results of any investigations made under Section 3 of this Act; and he shall publish the names and locations of warehouses licensed and bonded and the names and addresses of persons licensed under this Act and lists of all licenses terminated under this Act and the causes therefor.

Publications.

SEC. 27. That the Secretary of Agriculture is authorized through officials, employees, or agents of the Department of Agriculture designated by him to examine all books, records, papers, and accounts of warehouses licensed under this Act and of the warehousemen conducting such warehouses relating thereto.

Official examinations of records, etc.

SEC. 28. That the Secretary of Agriculture shall from time to time make such rules and regulations as he may deem necessary for the efficient execution of the provisions of this Act.

Regulations shall be made.

SEC. 29. That nothing in this Act shall be construed to conflict with, or to authorize any conflict with, or in any way to impair or limit the effect or operation of the laws of any State relating to warehouses, warehousemen, weighers, graders, inspectors, samplers or classifiers; but the Secretary of Agriculture is authorized to cooperate with such officials as are charged with the enforcement of such State laws in such States and through such cooperation to secure the enforcement of the provisions of this Act; nor shall this act be construed so as to limit the operation of any statute of the United States relating to warehouses or warehousemen, weighers, graders, in-

State laws not impaired.

Cooperation with State authorities.

Operation of present laws.



spectors, samplers, or classifiers now in force in the District of Columbia or in any Territory or other place under the exclusive jurisdiction of the United States.

**Violations.**

SEC. 30. That every person who shall forge, alter, counterfeit, simulate, or falsely represent, or shall without proper authority use, any license issued by the Secretary of Agriculture under this Act, or who shall violate or fail to comply with any provision of Section 8 of this Act, or who shall issue or utter a false or fraudulent receipt or certificate, or any person who, without lawful authority, shall convert to his own use, or use for purposes of securing a loan, or remove from a licensed warehouse contrary to this Act or the regulations promulgated thereunder, any agricultural products stored or to be stored in such warehouse and for which licensed receipts have been or are to be issued, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than \$10,000, or double the value of the products involved if such double value exceeds \$10,000, or imprisoned not more than one year, or both, in the discretion of the court, and the owner of the agricultural products so converted, used, or removed may, in the discretion of the Secretary of Agriculture, be reimbursed for the value thereof out of any fine collected hereunder, by check drawn on the Treasury at the direction of the Secretary of Agriculture, for the value of such products to the extent that such owner has not otherwise been reimbursed. That any person who shall draw with intent to deceive a false sample of, or who shall willfully mutilate or falsely represent a sample drawn under this Act, or who shall classify, grade or weigh fraudulently, any agricultural products stored or to be stored under the provisions of this Act, shall be deemed guilty of a misdemeanor and upon conviction thereof fined not more than \$500 or imprisoned for not more than six months, or both, in the discretion of the court.

**Appropriations  
for expenses.**

SEC. 31. That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$50,000, available until expended, for the expenses of carrying into effect the provisions of this Act, including the payment of such rent and the employment of such persons and means as the Secretary of Agriculture may deem necessary in the city of Washington and elsewhere, and he is authorized, in his discretion, to employ qualified persons not regularly in the service of the United States for temporary assistance in carrying out the purposes of this Act, and out of the moneys appropriated by this Act to pay the salaries and expenses thereof.

**Invalidity of  
any part not to  
affect remainder  
of act.**

SEC. 32. That if any clause, sentence, paragraph, or part of this Act shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, such



judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involving in the controversy in which such judgment shall have been rendered.

SEC. 33. That the right to amend, alter, or repeal this Act is hereby expressly reserved.

Amendments.





